GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2014
ANSWERED ON:09.03.2001
LIBERALISATION OF SUGAR SECTOR
JASWANT SINGH YADAV

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government propose to liberalise sugar sector;

(b) if so, the details thereof alongwith the reasons therefor; and

(c) the extent to which the consumers are likely to be benefited therefrom?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a),(b) & (c) : The Government has taken a number of measures to liberalise the sugar sector. Some of these important measures are as follows:-

(1) Levy obligation on domestic producers has been reduced from 40% to 30% with effect from 1.1.2000 and further to 15% w.e.f. 1.2.2001.

(2) The Government has decided to introduce futures/forward trading in sugar.

(3) The stockholding limit on the recognised dealers of sugar has been lifted with effect from 7.7.2000.

(4) Restrictions on fortnightly sales of 47.5% of monthly freesale quota have been removed w.e.f. 13.4.1999. Sugar factories have been allowed with effect from 25.1.2000 to sell upto 10% of the monthly freesale quota by the 7th of the succeeding months.

These measures have been taken as part of the reform process in the sugar sector. These measures are expected to benefit the consumers, the sugarcane growers and the sugar producers.